

Health in Times of Coup

ON THE ANNIVERSARY OF THE ULTRALIBERAL COUP that sacked the popular vote and led to the political demoralization of Brazil, what stands out in the scenario are the decline of the economy and the massacre of social rights with intensification of social inequalities.

The ultraliberal right has spread around the world and imposed on countries policies of economic austerity with severe repercussions and consequences. Imposing power and manipulating the political classes, the ultraliberals also use think tank strategy, organizations which disseminate the ideology. Latin America and Brazil are home to a number of those organizations with formulators profile, such as the Millennium Institute, or focused on leadership and activism, such as the Free Brazil Movement (MBL), which led the popular pro-coup manifestations.

The term ultraliberalism is used here to emphasize the distinction from the liberalism that was at the base of the Keynesian states linked to the matrix of social welfare of the inter-war period. The neoliberalism coined in the last decades of the twentieth century refers to the emptying of State functions from their obligations to social rights, with deregulation and free market while the resistance to the left incorporates the flags for social protection and social rights. Ultraliberalism is associated with financial globalization with supremacy and command of the financial system.

The ultraliberal right in the US which comes back with Trump had already shown its face with Reagan, who radicalized his ideas by promoting free market, deregulation of the economy, tax cuts, and cuts in social program budgets, excluding the military budget. It is precisely the oil supermajors and the war industry that are the big funders of think tank organizations, and their interests are directly associated with the wars and genocides that the planet witnesses terrified in the Middle East. The expansionism of the US has Latin America constantly in sight.

Each day, more and more evidence emerges as to the real nature of the coup in Brazil, which instituted groups of power – even if they turn to be disposable throughout the process – at the service of the stateless financial system. That project mobilized national sectors that, although in a secondary way, benefit from the corollary of the coup. Yet, it is the people who are its great victims.

Those who sponsored the coup have manipulated the three powers, from the Judiciary operators to the political class, allying the media and a portion of the population who was bothered by the little that Brazilian society has moved in the so-called popular governments. Even without prejudice to the interests of liberalism and the capital, those governments supported political projects that, with all their weaknesses and frailties, presented intentions and commitments with equity and social justice. With democracy, a cycle was defeated which, even with ambiguity in Dilma's second term, proved to be incompatible with the current radicalization of the financial globalization.

It is clear that the rise to power of the group that carried out the coup followed the architecture and command of the bankers, rentiers and the big multinationals. They are the ones who now reap the greatest profits and advantages for themselves. In this hierarchy of power, other economic groups today stress the political scenario for their specific interests, threatened by the voracity of the ultraliberals of the financial system.

And what is the financial system taking? The Central Bank announces in its Monthly Report on Fiscal Policy that in February 2017, the amount of interest paid by the government reached the total of 30.7 billion which, extrapolated over the last 12 months, would accumulate a payment of 388 billion for the wide menu of public debt securities transactions.

It is worth mentioning that, since the time of the Real Plan in 1994, the financial system has relied on the loyalty to the commitment of all the governments that have maintained in their respective budgets the so-called primary surplus, which guarantees the payment of interest on the public debt. In practice, this surplus refers to what is subtracted from government primary spending on health, education and other constitutional obligations.

The existence of a 'debt system' is now a consensus in which there is a systematic deviation of public resources towards the financial system. It is a perverse cycle of corruption made official and manipulated by large banks, the exclusive beneficiaries of the scheme.

The interest on such debt does not stop growing, taking almost half of the Budget, with no real counterpart and no transparency as to the destination and form of application of that money. What is certain is that it does not return in the form of benefits to the people.

Economic policies based on fiscal adjustment, masked under the concept of austerity, aim to reduce the ratio of public debt to Gross Domestic Product (GDP) through the freezing of primary expenditures precisely to produce a growing volume of primary surplus destined to the payment of the internal debt, that is, amortization, but above all, interest. Experiences in other countries which, broken, applied austerity policies and faced prolongation of the recession, since economy and collections do not grow.

There is a direct relationship between production of primary surplus and reduction of public investment. This means that a society that pays the taxes that make up the budget and that should receive the return in the form of public goods and services for a quality of life is being looted. Thus, it is evident that primary expenditures are below primary revenues, which is to say that Brazil is spending very little on the public policies that guarantee social rights provided by the Federal Constitution.

The severe contemporary crisis is yet another one that capitalism creates, feeds and accumulates to strengthen itself. Brazil is experiencing a profound recession, with high rates of unemployment, high interest rates and reduction in the purchasing power of the minimum wage. When the population is submitted to the consequences of the drop in consumption and conditions of survival, the expected role of the State would be that of protecting its citizens, which would imply expanding public investments, producing jobs and expanding social policies with the staunching of the bleeding of debt interest.

However, a current economic policy prioritizes the financial system keeping its guarantees preserved, even considering the deep recession in which the country is plunged and how huge people's needs are.

The government, under the yoke of the financial system, promotes cuts in public spending by reducing social policies. The economic policy practiced has radicalized in the establishment of the primary surplus goal from cuts in the public fund and impounding the budget in the social areas

Austerity is celebrated by the mass media as if it were meant to stall government spending, as well as to plant the false idea of fighting corruption associated with the management of public funds. This same media that corrupts information omits to society the consequences of sacrificing the financing of social policies for people's daily well-being. Thus, it subjects public opinion to valuing the fulfillment of the obligations of payments of interest of the public debt of the Country imposed by its tormentor, the financial system.

In people's real lives, health is among the first complaints of the population expressing the

consequences of successive cuts to its funding. It is necessary to reaffirm that the level of investment in health is insufficient, whether comparing it with other international experiences, or observing private expenditure per capita and the Brazilian average income.

The chronic underfunding of the Unified Health System (SUS) has been preventing the achievement of its constitutional objectives and principles. The false polemic frequently expressed in the statements of the current health minister relativizes the lack of financial resources to place the responsibilities of the SUS problems on management issues. This fallacy requires that we reaffirm that the absence of financing may even be responsible for the known and real problems of management in the SUS.

In addition to the chronic condition of underfunding, the near future of the SUS is already under the shadows of the Constitutional Amendment (CA) 95, which sets the ceiling for public expenditure without affecting the juicy share of the Budget destined to the primary surplus. In practice, it means that it is impossible for the SUS to fulfill its constitutional designations to guarantee health as a universal right. It is estimated that the application of this CA removes from the SUS approximately R\$ 400 billion in 20 years if annual GDP growth is considered at 2.0% and the National Consumer Price Index (IPCA) in 4,5%.

Although the sectoral GDP of health has increased in recent years, that growth did not occur at the expense of the public spending which contributes with less than 50% over its percentage. Families are spending more than the State for health care. What is certain is that universal and quality care that the Constitution promises and that the population expects would require a greater attendance of public spending, today below countries in a worse economic condition and that do not have universal systems in the mold of SUS.

Another relevant aspect is the decrease of the federal participation in the SUS financing that occurred in the last 25 years, which did not accompany the growth observed in municipal and state investments, the real responsables for the increase in total public health expenditure in that period.

It is not a matter of disregarding here the importance of the improvement of quality and the candor with health spendings and management, but insisting on the need for more resources, especially in the current scenario of massive unemployment that remits to the SUS an important contingent of the population previously related to health insurance plans associated with employment relationships.

The government has been strengthening the market of private health plans that already have increasing fiscal subsidies and in practice do not offer what they promise in the sale, besides expelling the population groups most vulnerable and in need of medical assistance. They are companies driven by risk and profit, just like any other in the insurance business.

Major electoral campaign funders, insurance companies and health plans receive the return of what they invested in the coup to democracy with the current proposal to create 'popular' or 'affordable' private plans, that is, deregulated and limited in terms of service coverage. It is about to be wide opened and cancelled by the government an official larceny of the popular plans to the middle and poor classes.

It is the ultraliberal project that think tanks organizations have already been disseminating and infiltrating in several countries and international organizations that has been denominated Universal Coverage, maliciously distorting a dear and virtuous concept of health. This project for health systems is based on public subsidy and on the purchase of market services for partial health actions, is very far from guaranteeing rights, lending itself to the fragmentation and financialization of health care.

Not less important and worrying is the Social Security reform envisaged in the Constitutional Amendment Proposal (PEC) 283 which seems to foment the desire for its implosion. From

a contributory and solidary Social Security System, Brazil may pass to the private pension scheme as a single alternative that will remain for the workers. The argument of the imbalance of the public accounts can not be sustained even if the deficit were proved. This rhetoric offered on a daily basis by subservient news media dampens consciousness and leads to the deconstruction of Social Security. One more reason for the coup, for it is only in such imposing political situations, bordering on regimes of exception, that it is possible to bring about changes so radically unfavorable to the people and to the working classes.

The discourse of the inevitability of the Social Security reform is fallacious not only from the fiscal point of view due to the absence of risks of an explosion in the need for financing, but also because the need for financing has an impact on the public deficit. Stimulus for the expansion of the entrance in the system or improvement of its management mechanisms are measures necessary for the improvement of Social Security. Alongside those measures, a reform should primarily guarantee constitutional allocation of social security resources, eliminate Union Revenue Unbundling (DRU), and pay off the accounts of the large debtors who have been defaulting the Social Security for decades protected by overlooking of governments.

In conclusion, it is important to reaffirm the need for stable and adequate financing as an essential condition for the consolidation of the universal right to health and the SUS, admitting that the way the issue has been addressed has been restricted to a sectoral view. The Constitutional Proposal that links the funding of the SUS to the Social Security Budget (OSS) must be retaken. As it has been well demonstrated by several studies, this budget has surplus since its origin, always rising above the GDP that is vulnerable to the cycles of the economy. Let us remember that another great advancement of the Constitution was the definition of the multiple sources of funding for the OSS, including contributions on capital, that is, corporate profits and revenues, and not just on labor and tax contributions. The Charter also proposed that health financing and the SUS integrate the OSS.

The Brazilian Center for Health Studies (Cebes) has registered in its theses and positions that the solutions for the financing of the SUS have been palliative, insufficient and unstable. The Sanitary Reform Movement has had 30 years of dismay over the ensuing disasters and consequences of underfunding coupled with the construction of a system that is increasingly less public, unified and non-universalist, distanced from the constitutional basis of citizenship rights.

Perhaps it is time for the Cebes to resume the defense of the security percentage. Such thesis has been abandoned since the 1990s when the health sector lost security resources, causing the brutal fall in real terms of the health budget, which started to rely only on sectoral sources, vulnerable to economic crises and policies, and to the entry and exit of new taxes, as was the case of the Provisional Contribution on Financial Transactions (CPMF).

Resistance to Social Security reforms is also an opportune moment to return to that proposal and, perhaps, through this path, to refund the unification and the strengthening of the integrated fights of health, Social Security and social assistance, which are now fragmented. The political crisis and the control of the setbacks of social rights demand unity for their confrontation as well as in the battle against public subsidies granted to private plans and insurance, the presence of foreign capital, the labor reform and the outsourcing of labor, all of these converging conditions for the worsening of quality and the growing precariousness of health services.

Ana Maria Costa

Director of the Brazilian Center for Health Studies (Cebes) and associate editor of Saúde em Debate